

Telecommunications Regulation in Jamaica - *the Challenges of New Technologies*

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Focus

- Jamaica - Background
- Market Evolution
- The Changing Telecommunications landscape
- Challenges
- Critical Imperatives
- Conclusion



Jamaica - Background

Background:

- Largest English speaking Caribbean Island
- Population of 2.6 million
- Up to 2000:
 - telecommunications provided exclusively by C&W and fledgling V.Sat operators (offering internet service)
 - Teledensity of 24%
 - Waiting list for fixed line of over 200,000
 - Low domestic rate and high international charges



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Location



Source: http://www.atlapedia.com/online/maps/physical/Cuba_etc.htm

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Market Evolution

Since initiation of liberalisation in 2000 development in some markets has been rapid:

- Teledensity is now among the highest in the world at around 98%
- Take up of mobile has been phenomenal and so voice telephony now pervasive
- A variety of technology deployed domestically – PSTN fixed, GSM/CDMA wireless, Pre-WiMax fixed wireless, STV Cable, ADSL/Dial-Up Internet, VoIP, etc.
- All markets open to competition as of 2003
- Emergence of convergence of services (video, voice, Internet-data) on CableTV platform; Pre-WiMax with fix and mobile voice/data/video.
- Additional submarine cable landings leading to 65% reduction in retail price of internet access.



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Market Evolution (Cont'd)

- Even so there are still significant lags:
 - No competition in fixed line services
 - Broadband roll out is slow
 - Degree of facilities based competition still a limit on the extent of vibrant competition
 - Little evidence of a clear transition path from 2G to 3G technology
 - Telecommunications value added remains low



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The Changing Landscape

Rapid domestic changes are both the result and corollary of even more rapid global changes notably in respect of:

- Technology – IP, convergence, NGNs,
- Market structure – competition, geographical and territorial divisions, service differentiation, settlement rate regimes,
- Policy approaches – funding of universal service, extent of regulation, licensing regimes
- Lower telecommunications costs increasing the global mobility of IT based companies



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The Challenges

- Some of the challenges posed by the changes include:
 - Driving convergence in the face of service category licensing framework
 - reconciling technological neutrality with technology designated licences;
 - Managing competition in an environment of uncertain jurisdiction;
 - Preserving a minute based universal service charge in the face of mushrooming VoIPs offerings
 - Striking a prudent balance in the regulatory approach to NGNs.
 - Increasing connectivity to provide cheap and reliable international links
 - Fostering the move to the next phase of mobile development – wide-scale adoption of 3G



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Critical Imperatives and Regulatory Considerations (1)

- Given the lag and challenges, policy and regulatory initiatives must focus on:
 - Targeted internet household penetration of 40-50% by 2010
 - Lower and more competitive rates for broadband
 - Ubiquitous broadband connection for schools, universities, libraries, post offices, health facilities, etc.
 - Generating wide scale opportunities for e-learning for educational transformation
 - Creation of an environment conducive to the roll out of the full suit of NGN services and offers
 - sustainable competition in other services beside mobile
 - Placing Jamaica at the hub of regional connectivity in order to attract IT related businesses
 - Stimulating the transition to 3G



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Critical Imperatives and Regulatory Considerations (2)

Developments as regard 3G merits special attention for countries like Jamaica given the potential for set back to progress in respect of the digital divide

Global subscription to 3G grew by 71% during 2004, moving from 78 million in 2003 to 133.7 in 2004 (see figure 1 next slide)

In Jamaica however,

- Investment in 2G is of recent vintage;
- Mobile build-out employing this technology is universal;
- Market demand is now pretty much at saturation

Existing providers may therefore not be keen to make such deployment
Policy and regulation must therefore focus on how to promote this either by way of additional entry or the threat thereof

In this scenario strategic use and allocation of remaining spectrum such as 450 – 700MHz
Developments in 3G requires special attention for countries like Jamaica
and thus the role of fixed and mobile WiMax take on paramount importance



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Market Trends

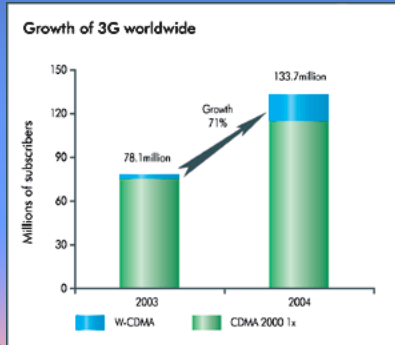


Figure 1. Growth of 3G Subscribers Globally

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Critical Imperatives and Regulatory Considerations (3)

- Retain as a focus that principal goal of telecom policy is economic development
- Good regulation in this context should be, inter alia:
 - Nimble
 - Flexible
 - Objective rather than process driven
 - Technologically neutral
 - Not be fixated on orthodoxy

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Conclusion (1)

- Change, technology and otherwise is the constant of telecoms
- For Jamaica change has been rapid and is driven by internal and external forces
- The existing regulatory framework imposes constraints and thus technology changes is often a challenge
- Nonetheless, a flexible, pragmatic and creative approach to regulation has gone a long way in meeting such challenges



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Conclusion (2)

- At the same time there is danger of significant delay in the transition to 3G but this can be mitigated by appropriate spectrum policy and the threat of additional and credible entry
- It is inescapable however, that changes in the regulatory framework are now critical for further rapid advancement



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Thank you

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